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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

Dockets
230

MM D - 92-265

IN REPLY REFER TO:

12 MAR 1993

8310-MEA
CN9300960

Mr. William David Champion, Jr.
Executive Vice President and
General Manager
Eastern Illini Electric Cooperative
330 West Ottawa Street
P. O. Box 96
Paxton, IL 60957

RECEIVED

MAR 17 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Mr. Champion:

Senator Paul Simon has asked me to respond to your letter regarding implementation of the programming access provisions in the Cable Television Consumer Protection and Competition Act of 1992.

The 1992 Cable Act prohibits unfair or discriminatory practices in the sale of programming in order to foster the development of competition to cable systems by increasing access to programming by other multichannel video programming distributors. In the 1992 Cable Act, Congress instructed the Commission to adopt implementing regulations pertaining to program access. In accordance with the statute, the Commission invited comment on provisions that will govern access to multichannel video programming (Notice of Proposed Rulemaking in MM Docket No. 92-265, released December 24, 1992). In particular, we sought comment on proposed regulations to prohibit: (1) undue influence by cable operators upon actions by affiliated program vendors. (2) price

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

IN REPLY REFER TO:

8310-MEA
CN9300960

James E. Coleman, General Manager
Shelby Electric Cooperative, Inc.
P. O. Box 560
Shelbyville, IL 62565

Dear Mr. Coleman:

Senator Paul Simon has asked me to respond to your letter regarding implementation of the programming access provisions in the Cable Television Consumer Protection and Competition Act of 1992.

The 1992 Cable Act prohibits unfair or discriminatory practices in the sale of programming in order to foster the development of competition to cable systems by increasing access to programming by other multichannel video programming distributors. In the 1992 Cable Act, Congress instructed the Commission to adopt implementing regulations pertaining to program access. In accordance with the statute, the Commission invited comment on provisions that will govern access to multichannel video programming (Notice of Proposed Rulemaking in MM Docket No. 92-265, released December 24, 1992). In particular, we sought comment on proposed regulations to prohibit: (1) undue influence by cable operators upon actions by affiliated program vendors, (2) price discrimination by vertically integrated satellite cable programming vendors and satellite broadcast programming vendors, and (3) certain exclusive contracting practices that the Commission finds not to be in the public interest. We also recognized testimony in the legislative history of the 1992 Cable Act that caused Congress to conclude that vertically integrated program suppliers have the incentive and ability to favor their affiliated cable operators over other multichannel programming distributors. In addition, we also indicated that the Commission previously found anecdotal evidence that some vertically integrated programming suppliers and cable operators may have indeed used anticompetitive actions against other programming services and competing multichannel providers.

Please note that your comments will be placed in the official record of MM Docket 92-265, so that they will receive full consideration prior to any action the Commission takes to implement the provisions of the 1992 Cable Act.

Sincerely,

Roy J. Stewart
Chief, Mass Media Bureau

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

IN REPLY REFER TO:

8310-MEA
CN9300960

T. L. Christensen, General Manager
Illinois Valley Electric Cooperative, Inc.
P. O. Box 70
West on Highway 6 & 34
Princeton, IL 61356

Dear Mr. Christensen:

Senator Paul Simon has asked me to respond to your letter regarding implementation of the programming access provisions in the Cable Television Consumer Protection and Competition Act of 1992.

The 1992 Cable Act prohibits unfair or discriminatory practices in the sale of programming in order to foster the development of competition to cable systems by increasing access to programming by other multichannel video programming distributors. In the 1992 Cable Act, Congress instructed the Commission to adopt implementing regulations pertaining to program access. In accordance with the statute, the Commission invited comment on provisions that will govern access to multichannel video programming (Notice of Proposed Rulemaking in MM Docket No. 92-265, released December 24, 1992). In particular, we sought comment on proposed regulations to prohibit: (1) undue influence by cable operators upon actions by affiliated program vendors, (2) price discrimination by vertically integrated satellite cable programming vendors and satellite broadcast programming vendors, and (3) certain exclusive contracting practices that the Commission finds not to be in the public interest. We also recognized testimony in the legislative history of the 1992 Cable Act that caused Congress to conclude that vertically integrated program suppliers have the incentive and ability to favor their affiliated cable operators over other multichannel programming distributors. In addition, we also indicated that the Commission previously found anecdotal evidence that some vertically integrated programming suppliers and cable operators may have indeed used anticompetitive actions against other programming services and competing multichannel providers.

Please note that your comments will be placed in the official record of MM Docket 92-265, so that they will receive full consideration prior to any action the Commission takes to implement the provisions of the 1992 Cable Act.

Sincerely,

Roy J. Stewart
Chief, Mass Media Bureau

Congressional

CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM
03/02/93

LETTER REPORT

CONTROL NO.	DATE RECEIVED	DATE OF CORRESP	DATE DUE	DATE DUE OLA(857)
9300960	03/02/93	02/10/93	03/22/93	

TITLE	MEMBERS NAME	REPLY FOR SIG OF
Senator	Paul Simon	BC

CONSTITUENT'S NAME	SUBJECT
several	inq. re: rate regulation & 92 Cable Act

REF TO
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Dec-19-

PAUL SIMON
ILLINOIS

United States Senate

WASHINGTON, DC 20510-1302

February 10, 1993

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COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

Ms. Linda Townsend Solheim
Director, Legislative Affairs
Federal Communications Commission
Room 808 - 1919 M Street, NW
Washington, DC 20554

Dear Ms. Solheim:

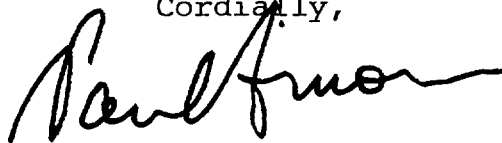
I am writing on behalf of several constituents who have contacted me with their concerns about the Federal Communications Commission's proposed rulemaking pertaining to the Section 19 programming access provisions of the recently passed cable bill. For additional background, please refer to the enclosed letters.

I would appreciate your looking into this matter and responding to these constituents. In addition, please be sure to send a copy of your response to the attention of my staff assistant, Sarah Fedder.

Thank you in advance for your attention to this matter. Please let me know if there is anything I can do to help resolve this situation.

My best wishes.

Cordially,



Paul Simon
U.S. Senator

PS/saf

Shelby Electric Cooperative, Inc.

P.O. Box 560
Shelbyville, Illinois 62565
Telephone: (217) 774-3986

1993 FEB -2 AM 5:06

James E. Coleman, Manager

January 29, 1993

The Honorable Paul Simon
United States Senate
Washington, D.C. 20510

Dear Senator Simon:

I am writing to voice my concerns about the Federal Communications Commission's Notice of Proposed Rule Making (NPRM) that was released December 24, specifically as it pertains to the Section 19 programming access provisions of the recently-passed cable bill.

Shelby Electric Cooperative is a consumer-owned, not-for-profit rural utility that provides electricity to nearly 9000 consumer/owners in central Illinois. In central Illinois, there are thousands of homes that cannot receive cable and must purchase their own home dish to receive quality programming. These home dish owners who paid for their own systems have been paying discriminatory high rates for much of the programming they receive. Many of these rates are five times more than what cable operators pay for the same product.

Shelby Electric, along with hundreds of other utilities like it, worked long and hard to secure the inclusion of the cable bill's Section 19 programming access in order to protect our consumer/owners from the cable industry's price gouging. When the bill passed, we were very pleased and hopeful that the price gouging would stop.

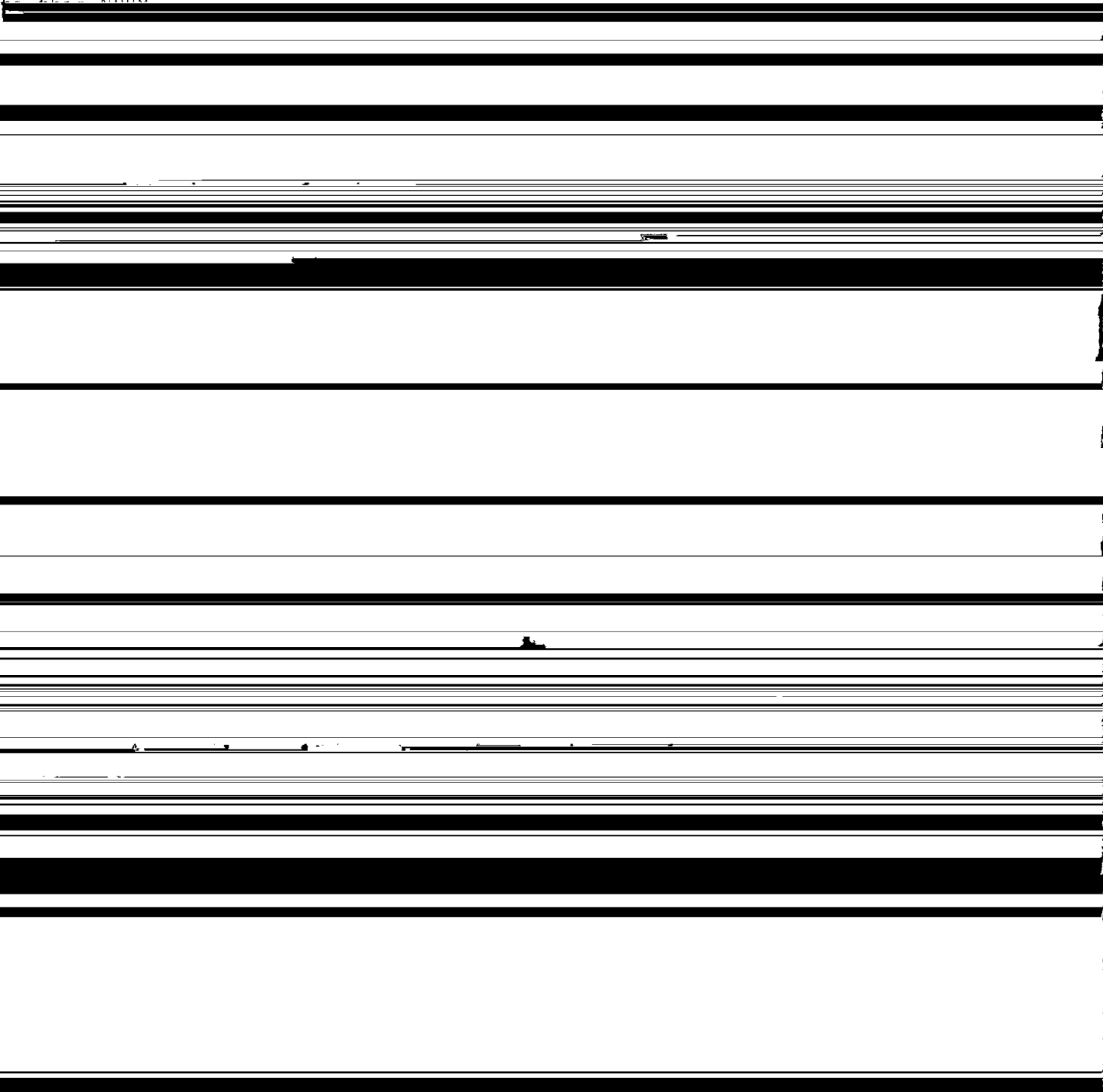
This is why we are so concerned about the FCC's tone on the rule making. The duty you charged the FCC with is simple: to issue rules and encourage competition by bringing an end to the already existing monopolistic pricing of many cable programmers. Despite this mandate, the FCC issued an NPRM that doesn't even admit that price discrimination exists.

For our consumer/owners, it really is a dollar-and-cents issue. Discriminatory pricing is totally unnecessary as the dish owner provides all the infrastructure and the satellite provider is nothing more than a middle man.

The Honorable Paul Simon
Washington, D.C.

January 29, 1993
Page 2

I urge you to review the NPRM issued by the FCC on December 24, and help us ensure that the rural residents of Illinois are protected against price discrimination by lending your voice to our objections to this NPRM.





Eastern Illini Electric Cooperative

330 West Caltawa Street • P.O. Box 955 • Easton, Illinois 60957 • 217/379-2131 • FAX: 217/379-2936

February 1, 1993

The Honorable Paul Simon
United States Senate
Washington, D. C. 20510-1302

Dear Senator Simon:

I am writing you to express my concern about the Federal Communications Commission's Notice of Proposed Rule Making (NPRM) that was released on December 24, specifically as it pertains to the Section 19 programming access provisions of the recently passed cable bill.

I am the Executive Vice President and General Manager of Eastern Illini Electric Cooperative, a consumer-owned, not-for-profit rural utility that provides electric service to 12,500 consumers in Champaign, Douglas, Edgar, Ford, Iroquois, Livingston, McLean, Moultrie, Piatt and Vermilion Counties. In our part of Illinois, there are many consumers for whom cable service is unavailable due to their remoteness. The only way these consumers can receive cable quality television is by using a home satellite dish. Until now, these home satellite dish owners have been paying discriminatorily high rates for much of the programming they receive over their dish. The rest of the programming is

Page 2
February 1, 1993


bill. The duty you charged the FCC with is simple: to issue rules that will encourage competition in the video marketplace by bringing an end to the already existing monopolistic pricing practices of many cable-owned programmers. Despite this clear mandate, the FCC issued an NPRM that doesn't even admit that price discrimination exists.

By writing this letter, I hope to impress upon you the reality of this price discrimination. For our consumers, it really is a dollars-and-cents issue, and it is completely unnecessary. It costs cable-owned programmers and satellite carriers no more to serve the rural home dish market than the urban cable market.

I urge you to review the NPRM issued by the FCC on December 24, and help us ensure that rural residents of Illinois are protected against price discrimination by lending your voice to our objection to this NPRM. I hope you will encourage the FCC to completely fulfill their duty to you and the citizens of this nation by issuing regulations which will encourage competition in the video marketplace and bring an end to the unjustifiable discrimination against the noncable video marketplace by cable-owned programmers. On behalf of the thousands of home satellite dish owners living in rural Illinois, I thank you for your support.

Respectfully,

EASTERN ILLINI ELECTRIC COOPERATIVE


Wm. David Champion, Jr.
Executive Vice President
and General Manager

WDC:jk



**Illinois Valley Electric
Cooperative, Inc.**

T.L. Christensen, General Manager
P.O. Box 70 • West on Highway 6 & 34
Princeton, Illinois 61356
Telephone: (815) 875-4488

1993 FEB -3 PM 8:54

February 1, 1993

The Honorable Paul Simon
United States Senate
Washington, D.C. 20510-20515

Dear Senator Simon:

I am writing you to express my concern about the Federal
Communications Commissions's Notice of Proposed Rule Making
(NPRM) that was released on December 24, specifically as it

Illinois Valley Electric

-2-

February 1, 1993

By writing this letter, I hope to impress upon you the reality of this price discrimination. For our consumers, it really is a dollars-and-cents issue. And it is completely unnecessary; it costs cable-owned programmers and satellite carriers no more to serve the rural home dish market than the urban cable market.

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Sincerely,

ILLINOIS VALLEY ELECTRIC COOPERATIVE

A handwritten signature in cursive script, appearing to read "T. L. Christensen".

T. L. Christensen
General Manager

TLC:jjb